

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 370
Minutes of Meeting of Board of Directors February 10, 2025

The Board of Directors of Harris County Municipal Utility District No. 370 met in regular session, open to the public on February 10, 2025, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, in accordance with the duly posted notice of a public meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

Steven G. Reyenga, President
Harold Cobb, Vice President
Mike Ecklund, Secretary
Linda D. Myers, Assistant Secretary
Chuck Werninger, Assistant Secretary

all of whom were present, thus constituting a quorum, except for Director Werninger, thus constituting a quorum.

Also attending the meeting were: Phillip Dautrich of TNG Utility Corp. ("TNG"); Putri Tesalonika of Municipal Accounts & Consulting, L.P. ("MAC"); Brian Chovanec of Benchmark Engineering Corporation ("Benchmark"); Wendy Maddox of B&A Municipal Tax Service, LLC ("B&A"); Sam Miskimins of Champions Hydro-Lawn, Inc./Ethoscapes ("Champions"); Daenon "Dee" Russell of Touchstone District Services, LLC ("Touchstone"); and Gordon Cranner and Melia Berry of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

The Board deferred consideration of comments from the public, as no comments were offered.

APPROVAL OF MINUTES

The Board reviewed the minutes of its meeting held on January 13, 2025. After review and discussion of the minutes presented, Director Cobb moved that such minutes be approved, as presented. Director Myers seconded said motion, which unanimously carried.

AMENDED AND RESTATED AGREEMENTS FOR LAW ENFORCEMENT SERVICES BY AND BETWEEN THE DISTRICT AND VILLAGES AT LAKEPOINTE COMMUNITY ASSOCIATION ("VAL") AND LAKES ON ELDRIDGE NORTH COMMUNITY ASSOCIATION ("LOEN")

Mr. Cranner reported that the Amended and Restated Agreements for Law Enforcement Services between the District and VAL, and LOEN have been sent to the respective Homeowner Associations for execution and presented to the Board a copy of the final agreement that was sent to the respective Homeowner Associations and is attached hereto as **Exhibit A**. A discussion

ensued regarding the status of the VAL agreement. Mr. Cranner informed the Board that VAL failed to enter into a law enforcement agreement with Harris County for the contract period, but plans to enter into a contract for next year.

Mr. Cranner next reported that LOEN has approved the agreement and that SPH will final the Amended and Restated Agreement for Law Enforcement Services between the District and LOEN. The final LOEN agreement is attached hereto as **Exhibit B**.

CONTINUING DISCLOSURE REPORT

The Board discussed the status of the District's continuing disclosure report (the "Report"), due February 28, 2025. Mr. Cranner presented to and reviewed with the Board the Report prepared by McCall Parkhurst & Horton, L.L.P. and noted that SPH has reviewed the Report and is recommending the Board approve the Report as presented. After discussion, upon motion made by Director Myers, seconded by Director Reyenga and unanimously carried, the Board approve the continuing disclosure report, subject to final review and approval by SPH. The continuing disclosure report is attached hereto as **Exhibit C**.

TAX ASSESSOR-COLLECTOR'S REPORTS

Ms. Maddox presented to and reviewed with the Board the Tax Assessor-Collector Report for the period ending January 31, 2025, a copy of which is attached hereto as **Exhibit D**, including the disbursements presented for payment, as listed therein. Ms. Maddox next presented to and reviewed with the Board a delinquent tax list (the "List") is attached to the Tax Assessor-Collector Report. Following discussion, it was duly moved by Director Myers, seconded by Director Cobb, and unanimously carried, that the Tax Assessor-Collector Report be approved, and the disbursements identified therein be authorized for payment.

DELINQUENT TAX REPORT

Mr. Cranner presented to and reviewed with the Board the Delinquent Tax Report dated February 4, 2025, prepared by Ted A. Cox, P.C. ("Cox"), the District's delinquent tax attorney, a copy of which is attached hereto as **Exhibit E**. It was noted that no Board action was required.

A discussion next ensued regarding the write-off of the smaller delinquent accounts. After discussion, the Board concurred to discuss the transfer of the smaller delinquent tax accounts to the uncollectible roll prior to the March Board meeting.

OPERATIONS AND MAINTENANCE REPORT

Mr. Dautrich presented to and reviewed with the Board the Operations and Maintenance Report dated February 10, 2025, a copy of which is attached hereto as **Exhibit F**.

Mr. Dautrich next reported the installation of all residential and commercial smart meters has been completed. He noted that there was one report from a District resident of water damage inside their residence. He noted that a plumber was called to the residence to take care of the problem.

Mr. Dautrich then reported that the annual inspection of the hydro pneumatic tanks is scheduled for the this fall.

There was no action required by the Board at this time.

CONSUMER CONFIDENCE REPORTS

The Board considered authorizing TNG to provide the required information to districts receiving water from the District relative to Consumer Confidence Reports. After discussion on the matter, Director Reyenga moved that the Board authorize TNG to provide the required information to districts receiving water from the District relative to Consumer Confidence Reports. Director Cobb seconded said motion, which carried unanimously.

DISCUSSION OF DISTRICT GENERATORS

There next ensued a discussion regarding the District's backup generators. Mr. Craner informed the Board that the Texas Backup Power Package Program has not yet been finalized by the Public Utility Council, but that it seems set up for larger commercial providers and does not appear to be cost effective for the District. Mr. Chovanec and Mr. Dautrich agreed to update the Board at the next meeting on the remaining useful life of the District's generators and estimated replacement costs.

BOOKKEEPER'S REPORT

Ms. Tesalonika presented to and reviewed with the Board the Bookkeeper's Report dated February 10, 2025, a copy of which is attached hereto as **Exhibit G**, including the disbursements presented for payment. After discussion, it was moved by Director Ecklund, seconded by Director Myers, and unanimously carried, that the Bookkeeper's Report be approved and the checks presented therein, be authorized for payment.

ADOPTION OF OPERATING BUDGET

Ms. Tesalonika presented to and reviewed with the Board a draft amended District fiscal year 2025 Operating Budget (the "Amended Budget") to reflect changes to expense accounts: 16801-Patrol Expense; 17916-Sanitary Manhole Repair; 17917-Main Storm Outfall Repair; and 17915-Capital Outlay Smart Meters. After discussion, it was moved by Director Ecklund, seconded by Director Myers, and unanimously carried, to approve the amended budget as discussed. A copy of the Amended District fiscal year 2025 Operating Budget is attached to the Bookkeeper's Report.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Craner next advised the Board that the procedures involved in setting a tax rate each year applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Craner then reviewed with the Board a worksheet completed by Benchmark to assist the Board in making this determination,

along with a Resolution Concerning Developed District Status for 2025 Tax Year, a copy of which is attached hereto as Exhibit A to the Resolution Concerning Developed District Status for 2025 Tax Year which is attached hereto as **Exhibit H** (the "Developed District Resolution"). Mr. Cranner advised the Board that pursuant to said worksheet the District is a "Developed District." Following discussion, upon motion made by Director Ecklund, seconded by Director Myers and unanimously carried, the Board determined that the District shall be considered a Developed District for the 2025 Tax Year and adopted the attached Developed District Resolution.

Mr. Dautrich exited the meeting at this time.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Miskimins presented to and reviewed with the Board a Detention and Drainage Facilities Report, dated as of February 10, 2025, a copy of the report is attached hereto as **Exhibit I**.

Mr. Miskimins next presented to and reviewed with the Board two options to either repair or replace three (3) 48-inch pipes approximately thirty (30) feet from the end of the downside outfall near 12230 Calico Falls Lane. Option No. 1 - Champions Proposal No. 24979 in the amount of \$33,879 for the replacement of the three pipes; and Option No. 2 in the amount of \$88,055.28 for the rehabilitation of the whole pipeline and installation of new concrete. After discussion, Director Ecklund moved to approve Option No. 2 in the amount of \$88,055.28. Director Myers seconded said motion, which unanimously carried. Copies of the proposals are attached to the Detention and Drainage Facilities Report.

COMMUNICATIONS REPORT

Ms. Russell presented to and reviewed with the Board the Communications Report dated February 10, 2025, a copy of which is attached hereto as **Exhibit J**.

BEST TRASH, LLC STATUS REPORT

Mr. Cranner noted that SPH had no appeals to report this month regarding the District's solid waste and recycling collection services.

ENGINEER'S REPORT

Mr. Chovanec presented to and reviewed with the Board a written Engineering Report dated February 10, 2025, a copy of which is attached hereto as **Exhibit K** relative to the status of various projects within the District.

Mr. Chovanec next presented to and requested approval for the payment of three pay requests from Champions totaling \$2,562.09 for storm quality maintenance work completed, copies of the pay requests are attached to the Engineer's Report. After discussion, Director Reyenga moved to approve the pay requests from Champions totaling \$2,562.09. Director Myers seconded said motion, which unanimously carried.

Mr. Chovanec then presented to and reviewed with the Board photographs of the three damaged CMP pipe outfalls from the main LOEN lake into Turkey Creek, copies of the photographs are attached to the Engineer's Report.

Mr. Chovanec next reported on the status of Benchmark's revisions to the District's GIS map.

ISSUANCE OF UTILITY COMMITMENTS

The Board deferred consideration of utility commitment requests after noting that no new requests had been received.

APPROVE PREVAILING WAGE RATES FOR CONSTRUCTION PROJECTS

Mr. Cranner presented to the Board for review and approval a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as **Exhibit L**. He reviewed various provisions of the Resolution with the Board. Mr. Cranner advised the Board that the District previously adopted the wage rates for Harris County, and noted that Benchmark is recommending that the District adopt the Department of Labor's updated wage rates for Harris County effective January 1, 2025, and discussed same in detail with the Board. After discussion and consideration of the survey and the proposed Resolution, Director Cobb moved that the Board adopt the Resolution with Exhibit "A" to same reflecting the wage rates for the Department of Labor for Harris County, and that the President and the Secretary be authorized to execute and attest same on behalf of the Board and the District. Director Ecklund seconded said motion, which unanimously carried.

RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board considered approval of a proposal for renewal of the District's insurance coverages. Mr. Cranner reminded the Board that the District's current policies were acquired through Arthur J. Gallagher & Co. ("AJG") will expire on March 31, 2025. He then presented a comparison summary of the 2024 proposals to the 2025 proposals along with a copy of the draft 2025 proposals prepared by AJG. After discussion, Director Reyenga moved that the Board accept the renewal proposal from AJG, to include the proposals for: Property, Flood, Boiler and Machinery, General Liability, Pollution, Hired Non-owned Auto Liability, Package, Excess Liability, Directors and Officers Liability, Crime (employee/consultant), Directors Bond, Tax Assessor/Collector Bond and the optional Business Travel proposal, and declined the Worker's Compensation and Cyber Liability. Director Meyers seconded the motion, which carried unanimously. A copy of the accepted insurance proposals and summary are attached hereto as **Exhibit M**.

Ms. Tesalonika then requested the Boards approval of check number 10067 in the amount of \$16,960.00 payable to AJG for the District's 2025-2024 insurance premium. After discussion, Director Reyenga moved to approve check number 10067 payable to AJG. Director Meyers seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Craner discussed with the Board the District's status as a class member under the Tyco and BASF class action settlements concerning per- and polyfluoroalkyl substances ("PFAS"). In connection therewith, Mr. Craner advised that the deadline for filing a claim under both the Tyco and BASF class action settlements is April 8, 2025. He noted that the amount of the District's potential recovery under the claims is uncertain at this time, and will be impacted by such factors as its PFAS test results and water system flow data compared to that of other claimants and the total number of claims filed. Mr. Craner stated that SPH recommends the District file claims to protect its potential recovery, and that SPH is prepared to submit such claims subject to the Board's authorization. Following discussion, Director Reyenga moved that SPH be authorized to submit claim(s) on behalf of the District. Director Myers seconded the motion, which unanimously carried.

FUTURE AGENDAS

The Board next considered items for placement on future agendas. Director Dautrich queried the Board as to whether it was interested in authorizing TNG to issue paperless water bills to customers. After discussion, the Board authorized Director Ecklund to contact Mr. Dautrich outside the meeting to discuss the matter further.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Reyenga, seconded by Director Myers, and unanimously carried, the meeting was adjourned.


Secretary



LIST OF EXHIBITS

- Exhibit A Draft Amended and Restated Agreement for Law Enforcement Services between the District and LOEN
- Exhibit B Amended and Restated Agreement for Law Enforcement Services between the District and LOEN (executed)
- Exhibit C Continuing Disclosure Report
- Exhibit D Tax Assessor-Collector Reports
- Exhibit E Delinquent Tax Report
- Exhibit F Operations and Maintenance Report
- Exhibit G Bookkeeper's Report
- Exhibit H Resolution Concerning Developed District Status for 2025 Tax Year
- Exhibit I Detention and Drainage Facilities Report
- Exhibit J Communications Meeting Report
- Exhibit K Engineer's Report
- Exhibit L Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit M Accepted Insurance Proposals - Arthur J. Gallagher & Co.